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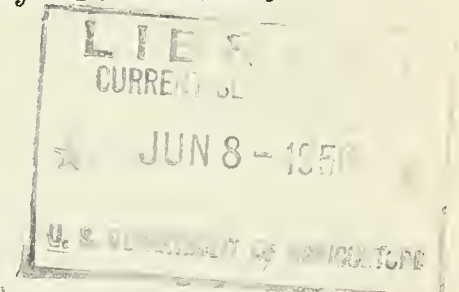
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LIVESTOCK AND MEAT PRODUCTS SALES UNDER PUBLIC LAW 480

Livestock and meat products, namely lard, tallows and greases, beef, pork, and variety meats have been exported under Title I of Public Law 480. ^{1/} Foreign sales of livestock products under Public Law 480 have attained considerable volume. As of April 10, agreements have been signed with seven countries providing for the sale of approximately 216 million pounds of livestock products valued at about 42 million dollars. Some of the more important contracts include provisions for the sale of 88 million pounds of lard to Yugoslavia, 40 million pounds of beef to Israel, 20 million pounds of canned pork to Korea, and nearly 17 million pounds of hams, other pork products, and inedible tallow to Spain.

The sale of agricultural commodities under the terms of Public Law 480 are in addition to normal sales via regular commercial channels. Such sales have the immediate effect of reducing our surpluses and thus serve to stimulate domestic prices. Of equal importance, however, is the tendency for these programs to create new foreign outlets for U.S. livestock products as well as to expand markets already established.



^{1/} The Agricultural Trade Development and Assistance Act of 1954, 83rd Congress, as amended. This law provides for the sale of commodities to friendly foreign countries for their currencies, thereby helping meet convertibility and dollar shortage problems and facilitate the export of surplus farm commodities.

Table 1. - Summary of Public Law 480 Agreements Including Livestock and Meat Products. (As of April 10, 1956).

<u>Date Agreement Signed</u>	<u>Country</u>	<u>Commodity</u>	<u>Approximate Quantity Million pounds</u>	<u>Amount Authorized Million dollars</u>
Nov. 16, 1955	Brazil	Lard	11.00	1.93
Nov. 19, 1955	Yugoslavia	Lard	88.23	10.80
Feb. 7, 1956	Austria	Lard	16.55	2.40
Feb. 10, 1956	Israel	Beef	40.00	10.00
Mar. 5, 1956	Spain	Hams, canned	3.57	2.00
Mar. 5, 1956	Spain	Other pork products	3.50	1.40
Mar. 5, 1956	Spain	Tallow, inedible	9.70	1.00
Mar. 13, 1956	Chile	Beef	13.21	3.70
Mar. 13, 1956	Chile	Lard	3.36	0.47
Mar. 13, 1956	Chile	Tallow, edible	5.50	0.62
Mar. 13, 1956	Korea	Pork, canned	21.00	8.00
Total			215.62	42.32

Brazil

The agreement negotiated with Brazil was the first P.L. 480 program involving livestock products. Under the terms of the agreement, Brazil was authorized to contract for approximately 11 million pounds of lard. The amount of dollars authorized for this purchase was \$1,931,000. This amount, however, was not fully used as of January 31, 1956, the end of the contracting period.

Brazil produces large quantities of lard but supplies tend to be seasonal and some imports have been made to stabilize prices. In recent years, the shortages of dollars and programs directed toward self-sufficiency in fats and oils in Brazil have limited these purchases to non-dollar countries such as the Netherlands. Sales of U.S. lard to Brazil under Public Law 480 have reintroduced American lard in that market for the first time in several years.

Yugoslavia

On January 19, an agreement was reached whereby Yugoslavia could purchase from U. S. suppliers up to 88 million pounds of lard (valued at \$10.8 million), under Title I of P. L. 480. Purchases under this agreement have been completed. According to the terms, the delivery

period extends through June 1956. The large quantity of lard involved under this program undoubtedly was a factor in the strengthening of U. S. lard prices in mid-January.

Lard production has been increasing in Yugoslavia but domestic supplies are still well below the rising level of requirements. With production of both lard and edible oils down in 1955, Yugoslavia needed to increase fat imports in 1956 to maintain supplies at near demand levels and to increase seriously depleted stocks. Yugoslavia has been, and probably will continue to be for many years, an important market for American lard.

Austria

Austria is another country purchasing sizable quantities of lard under P. L. 480. According to the provisions of the agreement signed on February 7, 1956, around 16.5 million pounds, valued at \$2.4 million will move to Austria by the end of September of this year.

Austria imports on the average about 45 million pounds of lard annually. In recent years this quantity was supplied mainly by the United States and EPU countries. Only small quantities have been received from those Eastern European countries which in prewar years supplied practically all the lard Austria needed in the form of heavy hogs. The shipment of a top quality product to Austria under this program will help to build a strong, long-term outlet for American lard.

Israel

A program of major importance was signed on February 10 providing for the sale of 40 million pounds of U. S. beef, worth \$10 million to Israel.

This agreement, the first one for beef under P.L. 480, will increase substantially the amount of beef available to Israeli consumers during the next 12 months. It also provided a new market for the large supplies of beef being produced in the United States. To most effectively assist U. S. beef producers, Israeli buyers have been encouraged to take a substantial part of their requirements from heavy fed cattle. Later on in the year, they will probably complete their requirements from leaner grass-fat cattle. The delivery period for this beef extends through December 31, 1956.

Spain

On March 5, 1956, the third and largest Title I, P.L. 480 agreement with Spain was signed. Livestock products included under the program and approximate quantities involved were hams - 3.57 million pounds (\$2 million), other pork products - 3.5 million pounds (\$1.4 million), and inedible tallow and/or grease - 9.7 million pounds (1.0 million).

Spain potentially is a large market for meat and livestock products and exports under P. L. 480 should greatly encourage future trade with the United States. Commercial sales of meat products to Spain have not been possible due to import and exchange controls.

The principal raw material for soap manufacture in Spain is inedible olive oil, but some tallow has been imported for this use for many years. In 1954 and 1955, olive oil production was substantially below normal and supplies of soap fats were low. The purchase of large quantities of inedible tallow from the United States will tend to stimulate Spain's soap industry. This could lead to a greatly expanded market for U. S. inedible tallow in that country.

Chile

A second P. L. 480 agreement between the United States and Chile was concluded on March 13, 1956. The commodity composition included the following livestock products, and the approximate quantities and values involved: Beef - 13.2 million pounds (\$3.7 million); edible tallow - 5.5 million pounds (\$620,000) and lard - 3.4 million pounds (\$470,000).

Chile is an important consumer of beef, lard and tallow. Most of its lard and beef imports in recent years have come from Argentina. Supplies of lard in Argentina are low at the present time and the United States has an opportunity to re-establish itself as one of Chile's suppliers. Chile is a new market for U. S. beef.

Korea

About 20 million pounds of canned pork, or \$8 million worth, will move to Korea under a recent agreement signed on March 13, 1956. This represents the largest volume of pork included in a Title I, P.L. 480 agreement. Sales under the program will be made by private United States traders.

Table 2. - Status of Livestock and Meat Products Authorizations Under P. L. 480
(as of April 10, 1956)

Country	Commodity	Status	Number	Purchase Authorizations		
				End of Contracting period	End of Delivery period	
Brazil	Lard	Expired	28-02	January 31, 1956	February 29, 1956	:
Yugoslavia	Lard	Purchases completed	11-07	May 31, 1956	June 30, 1956	:
Austria	Lard	Active	21-08	June 30, 1956	September 30, 1956	:
Israel	Beef	Active	16-19	November 30, 1956	December 31, 1956	:
Spain	Hams, canned	<u>L</u>	17-	-	-	:
Spain	Other pork products	<u>L</u>	17-	-	-	:
Spain	Tallow, inedible	Active	17-13	May 31, 1956	June 30, 1956	:
Chile	Beef	<u>L</u>	12-	-	-	:
Chile	Lard	<u>L</u>	12-	-	-	:
Chile	Tallow, edible	<u>L</u>	12-	-	-	:
Korea	Pork, canned	<u>L</u>	24-	-	-	:
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L Purchase Authorizations expected to be issued shortly.

A continually expanding livestock industry makes the maintaining and expanding of our foreign markets increasingly important. Agreements under P. L. 480 for the export of large quantities of our livestock and meat products provide a big step in this direction. Larger quantities of U. S. livestock products are being made available to our regular foreign consumers at lower prices while other consumers will use quality American agricultural products for the first time.

In 1955 exports of U. S. livestock and meat products (excluding wool) totaled \$316 million. With P. L. 480 sales lending a helping hand, total exports of livestock products in 1956 should be substantially larger than in 1955.

Exports of tallow and greases amounted to \$112 million, lard \$76 million, pork \$17 million, and beef \$11 million. The recent agreements for the sale of beef and pork under P.L. 480 are particularly large compared with total exports of these commodities in 1955. Sales of lard under P. L. 480 currently are equal to around 20 percent, in value, of last year's exports.